

**STATEMENT OF  
ROBERT L. NEARY, JR., DIRECTOR  
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OFFICE OF CONSTRUCTION & FACILITIES MANAGEMENT  
DEPARTMENT OF VETERANS AFFAIRS  
BEFORE THE  
HOUSE ENERGY AND COMMERCE COMMITTEE**

**AUGUST 1, 2007**

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Mr. Chairman and Members of the Committee

I am pleased to appear before the Committee today to discuss plans for the design and construction of a new VA Medical Center in New Orleans, LA.

In broad terms, the VA intends to construct a hospital in the New Orleans metropolitan area which we estimate will require approximately 1 million gross square feet to include 140 hospital beds, outpatient clinic capacity to receive 410,000 visits per year, a 60 bed nursing home and a mix of structured and surface parking will be constructed to meet the needs of patients, employees and visitors to the new medical center. This state of the art facility will incorporate mitigation features to protect the medical center against natural and man-made threats.

The Department presently has appropriated funds totaling \$625 million of which \$300 million has been authorized by the Congress. VA has requested full authorization be enacted this session of Congress.

In February 2006, VA and LSU entered into a Memorandum of Understanding (MOU) to establish a mutually beneficial relationship to foster discussions regarding the future of VA and LSU medical care delivery in the New Orleans, Louisiana area. The MOU led to the establishment of first a Collaborative Opportunities Study Group (COSG) in March 2006, and then a Collaborative Opportunities Planning Group (COPG) in September 2006. The purpose of the COSG was to jointly explore the advantages of collaboration. The work of the COSG was completed in June 2006 and concluded there were potential cost savings associated with a joint medical complex between VA and LSU. The COPG then began its work to further develop the degree to which VA and LSU should collaborate. The report of the COPG is due to be received by September 30, 2007. Subsequent to receiving that report, VA and the State will be positioned to make decisions on the extent of collaboration going forward in both programmatic and physical terms. We will then know what specifically will be built and by whom.

In March 2007, out of a concern that the originally planned location of VA and State facilities might not be workable, the Department determined that a review of alternative sites would be undertaken. An advertisement was placed in the major local newspaper from April 1 through April 8, 2007, and we alerted real estate firms of our interest. The advertisement indicated that VA was looking to

identify a suitable parcel of between 25 and 75 acres. Below is a map of the City which depicts the geographic boundaries of the area of our interest.



Those interested in proposing sites were asked to notify VA by April 30, 2007.

The site search brought forth two viable sites which met all of the advertised requirements. Ochsner Health Systems proposed a site of about 50 acres across Jefferson Highway from the Main Campus of the Ochsner Hospital, about four miles from downtown New Orleans. Later, based on further discussions, it was determined that only 28 acres were available.

The New Orleans Regional Planning Commission in conjunction with the City, State of Louisiana and several Parishes proposed acquiring about 34 acres

downtown, adjacent to the site of the proposed Louisiana State University medical campus and near both LSU and Tulane University medical schools.

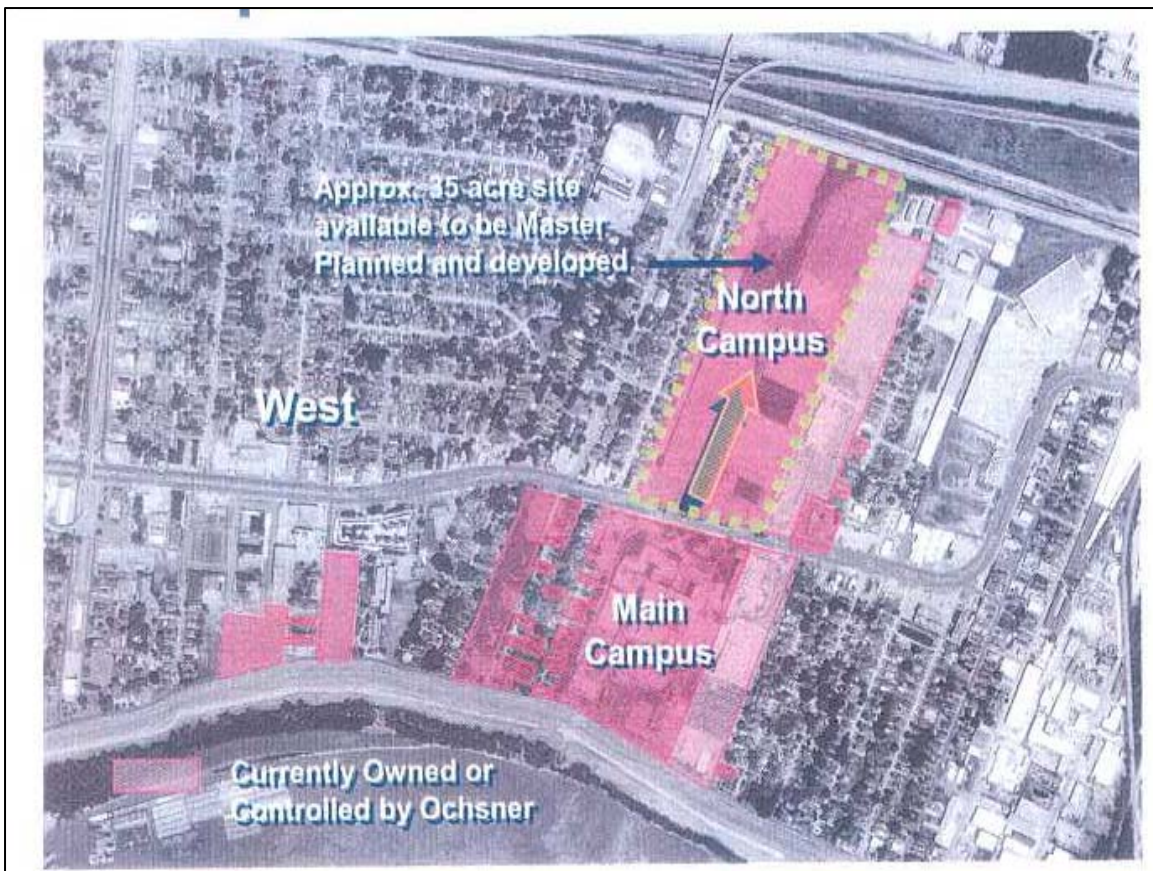
The maps below locate these sites for the Committee.



Regional Planning Commission Site

The Regional Planning Commission Site is bounded by Canal Street, South Rocheblave Street, Tulane Avenue and Galvez Street. It is currently occupied by commercial and residential properties. The City and State have entered into an agreement that the State will acquire the properties and provide clear title to the Department if this site is chosen.





### Ochsner Health System Site

The Ochsner site is owned by Ochsner and currently contains warehouse type facilities.

These two sites are currently under evaluation. As part of this evaluation, each site is rated according to pre-established source selection criteria. These criteria include:

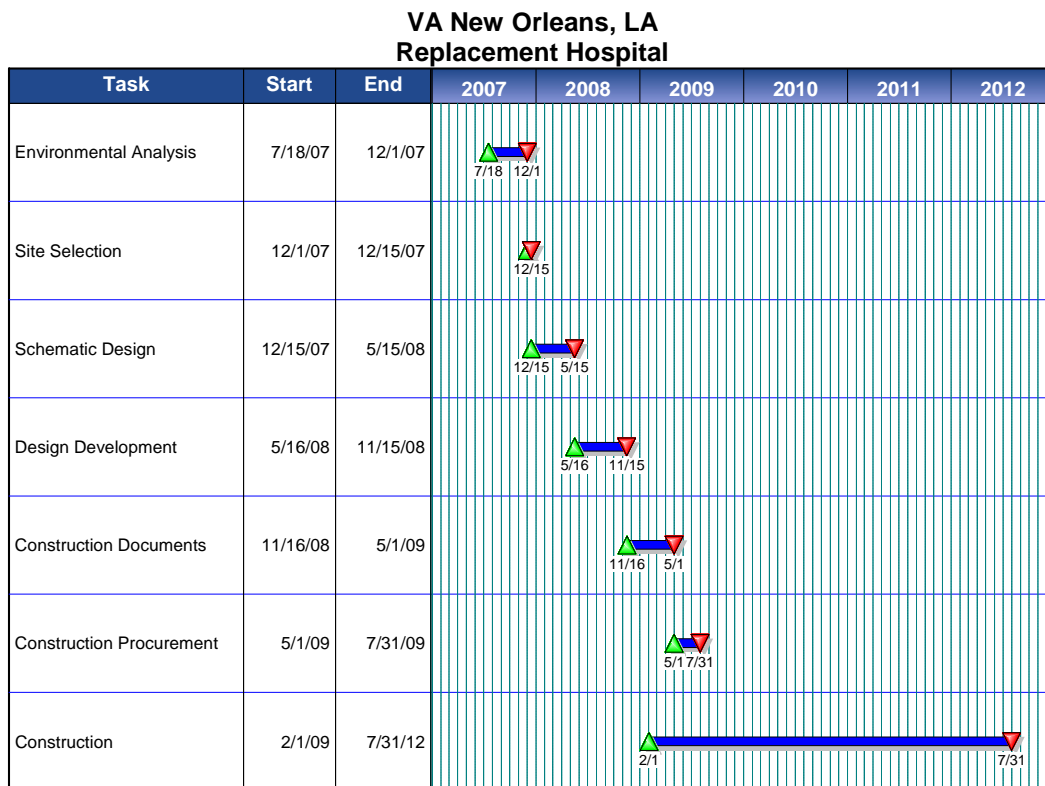
- proximity to an affiliated medical school;
- types of surrounding land use;

- zoning compatible with medical facility uses;
- proximity to the veteran population;
- access to highways and major streets;
- access to public transportation;
- access to eating and shopping opportunities;
- multiple, safe access points from surrounding roads;
- the shape and topography of the site;
- availability of utilities;
- site characteristics, including wetland and flood plain status; and
- existence of known environmental issues.

In addition, VA has contracted with an architecture/engineering firm to study the sites from the perspectives of suitability for construction of these medical facilities and any characteristics which would impact the cost at each location. In this regard, we are particularly interested in the potential for future flooding and what steps could be taken to mitigate against a repeat of the flooding of 2005.

The Department is also required under the National Environmental Policy Act (NEPA) to assess the environmental implications of locating the new facilities at each location. A consultant will complete the appropriate environmental studies in accordance with NEPA and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

The construction of these medical facilities is a high priority for VA and we are committed to this effort to enable VA to fully and effectively meet the health care needs of veterans into the future. This is a large and complicated project however, that will take time to design and construct. Below is a graphical depiction of our anticipated schedule. As indicated, with the completion of the COPG report in September, we will finalize the space and functional requirements in accordance with the decisions made by VA and the State and expect to be fully into the design process in January. This plan would enable construction to begin in February 2009 with completion in July 2012.



Thank you for the opportunity to appear today and I would be pleased to answer any questions the Committee may have.